

AMENDED IN ASSEMBLY JULY 12, 1999

AMENDED IN SENATE APRIL 15, 1999

AMENDED IN SENATE MARCH 25, 1999

AMENDED IN SENATE MARCH 15, 1999

**SENATE BILL**

**No. 378**

**Introduced by Senator Kelley**

February 11, 1999

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An act to amend Sections 7502.1, 7502.2, 7503.10, 7504, 7506.3, 7506.5, 7506.9, 7506.11, 7506.13, 7506.14, 7507.2, 7510.1, and 7511 of the Business and Professions Code, and to amend Sections 615, 22850.5, and 27907 of the Vehicle Code, relating to collateral recovery.

LEGISLATIVE COUNSEL'S DIGEST

SB 378, as amended, Kelley. Collateral recovery.

Existing law, the Collateral Recovery Act, licenses and regulates persons engaged in the business of repossessing personal property. A violation of that act, including certain specific provisions thereof, is a misdemeanor.

This bill would require, within existing resources, that the Commissioner of Financial Institutions, the Commissioner of Corporations, and the Director of the Department of Motor Vehicles each designate employees to investigate and report on violations of the act by the licensees of their respective departments.

Existing law provides that repossession agency licenses are subject to cyclical renewal and expire one year following the date of issuance or assigned renewal date.

This bill would, instead, provide for expiration of an original repossession agency license one year following the date of issuance, unless renewed. A renewal would expire in 2 years, as specified.

Existing law requires employees of licensees to be registered under the act.

This bill would additionally require those persons contracting with licensees to be registered. The bill would make related and conforming changes.

Existing law provides that the renewal fee for a repossession agency license may not exceed \$475 annually.

This bill would provide, instead, that the renewal fee may not exceed \$715 biennially.

Existing law requires applicants for reposessor qualification certification to meet and substantiate certain specified experience requirements.

This bill would require an applicant to certify as to the completion of those requirements, a violation of which is an existing crime. In expanding the scope of an existing crime, the bill would impose a state-mandated local program.

Existing law authorizes a city, county, or city and county, or state agency to impose a charge equal to its administrative costs for the removal, impound, storage, or release of properly impounded vehicles. That charge may be collected at the time of vehicle release.

This bill would, instead, limit the collection of that charge from only the registered owner or his or her agent.

Existing law, for purposes of regulation under the Vehicle Code, defines a “tow truck” and provides that persons licensed as a repossession agency may utilize a tow truck when repossessing vehicles.

This bill would exclude a reposessor’s tow vehicle from the definition of “tow truck.” It would also define a “reposessor’s tow vehicle” as one used exclusively in the course of the repossession business.

Existing law requires that there be conspicuously displayed on both the right and left side of a tow truck or an automobile

dismantler's tow vehicle used to tow or carry vehicles, a sign showing, among other things, the name of the company or the owner or operator of the tow truck or automobile dismantler's tow vehicle.

This bill would also make that requirement applicable to a reposessor's tow vehicle. It would also make related changes.

*The bill would incorporate additional changes to Section 7506.5 of the Business and Professions Code proposed by AB 341 to become operative only if both bills amend that section and are enacted and become effective on or before January 1, 2000, and this bill is enacted after AB 341.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7502.1 of the Business and  
2 Professions Code is amended to read:

3 7502.1. (a) Any person who violates any provision of  
4 this chapter, or who conspires with another person to  
5 violate any provision of this chapter, or who knowingly  
6 engages a nonexempt unlicensed person to repossess  
7 collateral on his or her behalf is guilty of a misdemeanor,  
8 and is punishable by a fine of five thousand dollars  
9 (\$5,000), or by imprisonment in the county jail for not  
10 more than one year, or by both the fine and  
11 imprisonment.

12 (b) Within existing resources, the Commissioner of  
13 Financial Institutions, the Commissioner of Corporations,  
14 and the Director of Motor Vehicles shall each designate  
15 employees to investigate and report on violations of this  
16 chapter by any of the licensees of their respective  
17 departments. Those employees shall actively cooperate  
18 with the bureau in the investigation of those activities.

1 (c) A proceeding to impose the penalties specified in  
2 subdivision (a) may be brought in any court of competent  
3 jurisdiction in the name of the people of the State of  
4 California by the Attorney General or by any district  
5 attorney or city attorney, or with the consent of the  
6 district attorney, by the city prosecutor in any city or city  
7 and county having a full-time city prosecutor, for the  
8 jurisdiction in which the violation occurred. If the action  
9 is brought by a district attorney, the penalty collected  
10 shall be paid to the treasurer of the county in which the  
11 judgment is entered. If the action is brought by a city  
12 attorney or city prosecutor, one-half of the penalty  
13 collected shall be paid to the treasurer of the city in which  
14 the judgment was entered and one-half to the treasurer  
15 of the county in which the judgment was entered. If the  
16 action is brought by the Attorney General, all of the  
17 penalty collected shall be deposited in the Private  
18 ~~Investigator~~ *Security Services* Fund.

19 SEC. 2. Section 7502.2 of the Business and Professions  
20 Code is amended to read:

21 7502.2. (a) Any financial institution that knowingly  
22 engages a nonexempt unlicensed person to repossess  
23 collateral on its behalf is guilty of a misdemeanor, and is  
24 punishable by a fine of five thousand dollars (\$5,000).

25 (b) Within existing resources, the Commissioner of  
26 Financial Institutions and the Commissioner of  
27 Corporations shall each designate employees to  
28 investigate and report on violations of this section by any  
29 of the licensees of their respective departments. Those  
30 employees shall actively cooperate with the bureau in the  
31 investigation of those activities.

32 (c) A proceeding to impose the fine specified in  
33 subdivision (a) may be brought in any court of competent  
34 jurisdiction in the name of the people of the State of  
35 California by the Attorney General or by any district  
36 attorney or city attorney, or with the consent of the  
37 district attorney, by the city prosecutor in any city or city  
38 and county having a full-time city prosecutor, for the  
39 jurisdiction in which the violation occurred. If the action  
40 is brought by a district attorney, the penalty collected

1 shall be paid to the treasurer of the county in which the  
2 judgment is entered. If the action is brought by a city  
3 attorney or city prosecutor, one-half of the penalty  
4 collected shall be paid to the treasurer of the city in which  
5 the judgment was entered and one-half to the treasurer  
6 of the county in which the judgment was entered. If the  
7 action is brought by the Attorney General, all of the  
8 penalty collected shall be deposited in the Private  
9 ~~Investigator~~ *Security Services Fund*.

10 SEC. 3. Section 7503.10 of the Business and  
11 Professions Code is amended to read:

12 7503.10. (a) An original repossession agency license  
13 shall expire one year following the date of issuance, unless  
14 renewed as provided in this chapter.

15 (b) A renewal repossession agency license shall expire  
16 two years following the date of renewal, unless renewed  
17 as provided in this chapter.

18 (c) At least 60 days prior to the expiration of the  
19 license, the bureau shall mail to the licensee a renewal  
20 form prescribed by the director. To renew an unexpired  
21 license, the licensee shall complete and mail the renewal  
22 form to the bureau, pay any and all fines assessed  
23 pursuant to Section 7501.7 and resolved in accordance  
24 with the provisions of that section, and pay the renewal  
25 fee prescribed by this chapter.

26 (d) Upon the issuance of the initial license or renewal  
27 license, the bureau shall issue to the licensee a suitable  
28 pocket identification card which includes a photograph  
29 of the licensee. The photograph shall be of a size  
30 prescribed by the bureau. The card shall contain the  
31 name of the licensee's company.

32 SEC. 4. Section 7504 of the Business and Professions  
33 Code is amended to read:

34 7504. (a) Except as otherwise provided in this  
35 chapter, an applicant for a qualification certificate shall  
36 comply with all of the following:

37 (1) Be at least 18 years of age.

38 (2) Have been, for at least two years of lawful  
39 experience, during the five years preceding the date on  
40 which his or her application is filed, a registrant or have

1 had two years of lawful experience in recovering  
2 collateral within this state. Lawful experience means  
3 experience in recovering collateral as a registrant  
4 pursuant to this chapter or as a salaried employee of a  
5 financial institution or vehicle dealer.

6 Two years' experience shall consist of not less than 4,000  
7 hours of actual compensated work performed by the  
8 applicant preceding the filing of an application.

9 An applicant shall certify that he or she has completed  
10 the claimed hours of qualifying experience and the exact  
11 details as to the character and nature thereof by written  
12 certifications from the employer, licensee, financial  
13 institution, or vehicle dealer, subject to independent  
14 verification by the director as he or she may determine.  
15 In the event of inability of an applicant to supply the  
16 written certifications from the employer, licensee,  
17 financial institution or vehicle dealer in whole or in part,  
18 applicants may offer other written certifications from  
19 other persons substantiating their experience for  
20 consideration by the director. All certifications shall  
21 include a statement that representations made are true,  
22 correct, and contain no material omissions of fact to the  
23 best knowledge and belief of the applicant or the person  
24 submitting the certification.

25 (3) Complete and forward to the bureau a qualified  
26 certificate holder application which shall be on a form  
27 prescribed by the director. The application shall be  
28 accompanied by two recent photographs of the applicant,  
29 of a type prescribed by the director, and two classifiable  
30 sets of his or her fingerprints. The residence address,  
31 residence telephone number, and driver's license  
32 number of each qualified certificate holder or applicant  
33 for a qualification certificate, if requested, shall be  
34 confidential pursuant to the Information Practices Act of  
35 1977 (Chapter 1 (commencing with Section 1798) of Title  
36 1.8 of Part 4 of Division 3 of the Civil Code) and shall not  
37 be released to the public.

38 (4) Pass the required examination.

39 (5) Pay the required application and examination fees  
40 to the bureau.

1 The amendments made to this section during the 1990  
2 portion of the 1989–90 Regular Session shall only apply to  
3 applications filed on or after January 1, 1992.

4 (b) Upon the issuance of the initial qualification  
5 certificate or renewal qualification certificate, the bureau  
6 shall issue to the certificate holder a suitable pocket  
7 identification card which includes a photograph of the  
8 certificate holder. The photograph shall be of a size  
9 prescribed by the bureau. The card shall contain the  
10 name of the licensee with whom the certificate holder is  
11 employed.

12 SEC. 5. Section 7506.3 of the Business and Professions  
13 Code is amended to read:

14 7506.3. Except as otherwise provided in this article,  
15 every person entering the employ of, or contracting with,  
16 a licensee or multiple licensee after the effective date of  
17 this article shall immediately complete an application for  
18 an initial registration or a reregistration and shall file the  
19 appropriate application with the chief within 15 working  
20 days after the commencement of employment or  
21 contracted services for the licensee or multiple licensee  
22 for whom the applicant is employed or contracted.  
23 Applicants for registration must be at least 18 years of age.

24 (a) An initial registration application shall be required  
25 of those persons who have not previously submitted an  
26 application for registration, or been registered as a  
27 registrant.

28 (b) A reregistration application shall be required of  
29 those persons who have previously submitted or been  
30 registered as a registrant.

31 (c) No registrant of a multiple licensee shall be  
32 required to file more than one application for registration  
33 or reregistration for each multiple licensee.

34 SEC. 6. Section 7506.5 of the Business and Professions  
35 Code is amended to read:

36 7506.5. All information obtained on the application  
37 shall be confidential pursuant to the Information  
38 Practices Act (Chapter 1 (commencing with Section  
39 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code)  
40 and shall not be released to the public except for the

1 registrant's full name, the licensee's name and address,  
2 and the registration number. The application shall be  
3 verified and shall include:

4 (a) The full name, residence address, residence  
5 telephone number, date and place of birth, and driver's  
6 license number of the applicant or registrant.

7 (b) A statement listing any and all names used by the  
8 applicant or registrant, other than the name by which he  
9 or she is currently known. If the applicant or registrant  
10 has never used a name other than his or her true name,  
11 this fact shall be set forth in the statement.

12 (c) The name and address of the licensee and the date  
13 the employment or contract commenced.

14 (d) The title of the position occupied by the applicant  
15 or registrant and a description of his or her duties.

16 (e) Two recent photographs of the applicant or  
17 registrant, of a type prescribed by the chief, and two  
18 classifiable sets of his or her fingerprints.

19 *SEC. 6.5. Section 7506.5 of the Business and*  
20 *Professions Code is amended to read:*

21 7506.5. All information obtained on the application  
22 shall be confidential pursuant to the Information  
23 Practices Act (Chapter 1 (commencing with Section  
24 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code)  
25 and shall not be released to the public except for the  
26 registrant's full name, the ~~employer's~~ licensee's name and  
27 address, and the registration number. The application  
28 shall be verified and shall include:

29 (a) The full name, residence address, residence  
30 telephone number, date and place of birth, and driver's  
31 license number of the applicant or registrant.

32 (b) A statement listing any and all names used by the  
33 applicant or registrant, other than the name by which he  
34 or she is currently known. If the applicant or registrant  
35 has never used a name other than his or her true name,  
36 this fact shall be set forth in the statement.

37 (c) The name and address of the ~~employer~~ licensee  
38 and the date the employment *or contract* commenced.

39 (d) The title of the position occupied by the applicant  
40 or registrant and a description of his or her duties.



1 (e) Two recent photographs of the applicant or  
2 registrant, of a type prescribed by the chief, and two  
3 classifiable sets of his or her fingerprints, *one set of which*  
4 *shall be forwarded to the Federal Bureau of Investigation*  
5 *for purposes of a background check.*

6 (f) *The bureau may impose a fee not to exceed three*  
7 *dollars (\$3) for processing classifiable fingerprint cards*  
8 *submitted by applicants, excluding those submitted into*  
9 *an electronic fingerprint system using electronic*  
10 *fingerprint technology.*

11 SEC. 7. Section 7506.9 of the Business and Professions  
12 Code is amended to read:

13 7506.9. (a) Upon the issuance of the initial  
14 registration, reregistration or renewal, the chief shall  
15 issue to the registrant a suitable pocket identification  
16 card. At the request of the registrant, the identification  
17 card may include a photograph of the registrant. The  
18 photograph shall be of a size prescribed by the bureau.  
19 The card shall contain the name of the licensee with  
20 whom the registrant is registered. The applicant may  
21 request to be issued an enhanced pocket card that shall  
22 be composed of durable material and may incorporate  
23 technologically advanced security features. The bureau  
24 may charge a fee sufficient to reimburse the department  
25 for costs for furnishing the enhanced pocket card. The fee  
26 charged may not exceed the actual cost for system  
27 development, maintenance, and processing necessary to  
28 provide the service, and may not exceed six dollars (\$6).  
29 If the applicant does not request an enhanced card, the  
30 department shall issue a standard card at no cost to the  
31 applicant.

32 (b) Until the registration certificate is issued or  
33 denied, a person may be assigned to work with a  
34 temporary registration on a secure form prescribed by  
35 the chief, and issued by the qualified certificate holder,  
36 that has been embossed by the bureau with the state seal  
37 for a period not to exceed 120 days from the date the  
38 employment or contract commenced, provided the  
39 person signs a declaration under penalty of perjury that  
40 he or she has not been convicted of a felony or committed

1 any other act constituting grounds for denial of a  
2 registration pursuant to Section 7506.8 (unless he or she  
3 declares that the conviction of a felony or the commission  
4 of a specified act or acts occurred prior to the issuance of  
5 a registration by the chief and the conduct was not the  
6 cause of any subsequent suspension or termination of a  
7 registration), and that he or she has read and understands  
8 the provisions of this chapter.

9 (c) The chief shall issue an additional temporary  
10 registration for not less than 60 days nor more than 120  
11 days, if the chief determines that the investigation of the  
12 applicant will take longer to complete than the initial  
13 temporary registration time period.

14 (d) No person shall perform the duties of a registrant  
15 for a licensee unless the person has in his or her possession  
16 a valid reposessor registration card or evidence of a valid  
17 temporary registration or registration renewal as  
18 described in subdivision (b) of this section or subdivision  
19 (c) of Section 7506.10. Every person, while engaged in  
20 any activity for which licensure is required, shall display  
21 his or her valid pocket card as provided by regulation.

22 SEC. 8. Section 7506.11 of the Business and  
23 Professions Code is amended to read:

24 7506.11. (a) Each registration is valid until the  
25 registrant ceases performing services for the licensee  
26 indicated on the registration card or until the registration  
27 expires.

28 (b) Each person registered under this article shall  
29 notify the chief, in writing, within 30 days of any change  
30 in employment or contract status with a licensee. If the  
31 person ceases to be employed by or perform services for  
32 a licensee, the licensee shall notify the chief, in writing,  
33 within 30 days. The registered individual shall surrender  
34 his or her registration card to the licensee. The licensee  
35 shall forward the registration card to the chief. If at some  
36 subsequent time the person is again employed or retained  
37 by a licensee, he or she shall apply for reregistration in the  
38 manner provided in this article.



(c) Each registrant, while registered, shall notify the chief, in writing, within 30 days after any change in his or her residence address.

SEC. 9. Section 7506.13 of the Business and Professions Code is amended to read:

7506.13. (a) The licensee shall at all times be responsible for ascertaining that his or her registrants are currently registered or have made proper application for registration as provided in this article. The licensee may not have in his or her employment or under contract a person subject to registration who has not registered within the time required or whose registration has expired or been revoked, denied, suspended, or canceled.

(b) The bureau shall keep current and accurate records of all persons registered under this article.

SEC. 10. Section 7506.14 of the Business and Professions Code is amended to read:

7506.14. If the chief determines that continued services by an applicant for registration in his or her current capacity may present undue hazard to public safety, the licensee, upon proper notification from the chief, shall suspend the applicant from rendering services in that capacity until the licensee is notified in writing by the chief within 60 days from the date of notification of suspension that the applicant's registration has been approved or denied.

SEC. 11. Section 7507.2 of the Business and Professions Code is amended to read:

7507.2. (a) A licensee is responsible for those actions that are performed in violation of this chapter by his or her registrants, including his or her manager, when acting within the course and scope of his or her employment or contract.

(b) Each licensee shall maintain a file or record of the name, address, commencing date of employment or retention, and position of each registrant, and the date of termination of the employment or contract when a registrant is terminated. The file and records, together with usual compensation records, shall be available for inspection by the bureau, and copies thereof, and

1 information pertaining thereto or contained therein,  
2 shall be submitted to the bureau upon request.

3 SEC. 12. Section 7510.1 of the Business and  
4 Professions Code is amended to read:

5 7510.1. In addition to any other remedies authorized  
6 by this chapter, the director may suspend or revoke a  
7 repossession agency license, a qualification certificate, or  
8 registration issued under this chapter if the director  
9 determines that the licensee or the licensee's manager, if  
10 an individual, or if the licensee is a person other than an  
11 individual, that any of its officers, partners, registrants,  
12 employees, or its manager, has:

13 (a) Made any false statement or given any false  
14 information in connection with an application for a  
15 license or a renewal or reinstatement of a license.

16 (b) Violated any provisions of this chapter.

17 (c) Violated any rule of the director adopted pursuant  
18 to authority contained in this chapter.

19 (d) Been convicted of a felony or any crime  
20 substantially related to the repossession agency business  
21 including illegally using, carrying, or possessing a deadly  
22 weapon.

23 (e) Committed or permitted any registrant or  
24 employee to commit any act while the license was  
25 expired which would be cause for the suspension or  
26 revocation of a license, or grounds for the denial of an  
27 application for a license.

28 (f) Unlawfully committed assault, battery, or  
29 kidnapping, or used force or violence on any person.

30 (g) Knowingly violated, or advised, encouraged, or  
31 assisted the violation of any court order or injunction in  
32 the course of business as a licensee.

33 (h) Been convicted of a violation of Section 148 of the  
34 Penal Code, resisting or obstructing a public officer.

35 (i) Committed any act which is a ground for denial of  
36 an application for license under this chapter.

37 (j) Committed any act prohibited by Chapter 1.5  
38 (commencing with Section 630) of Title 15 of Part 1 of the  
39 Penal Code.

(k) Committed any act in the course of the licensee's business constituting dishonesty or fraud, including, but not limited to:

(1) Knowingly making a false statement relating to evidence or information obtained in the course of employment or while under contract, or knowingly publishing a slander or a libel in the course of business.

(2) Using illegal means in the collection or attempted collection of a debt or obligation.

(l) Represented that the licensee has an office and conducts business at a specific address when that is not the case.

SEC. 13. Section 7511 of the Business and Professions Code is amended to read:

7511. Effective July 1, 1998, the bureau shall establish and assess fees and penalties for licensure and registration as displayed in this section. The fees prescribed by this chapter are as follows:

(a) The application fee for an original repossession agency license may not exceed eight hundred twenty-five dollars (\$825).

(b) The application fee for an original qualification certificate may not exceed three hundred twenty-five dollars (\$325).

(c) The renewal fee for a repossession agency license may not exceed seven hundred fifteen dollars (\$715) biennially.

(d) The renewal fee for a license as a qualified certificate holder may not exceed four hundred fifty dollars (\$450) biennially.

(e) Notwithstanding Section 163.5, the reinstatement fee for a repossession agency license required pursuant to Sections 7503.11 and 7505.3 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(f) Notwithstanding Section 163.5, the reinstatement fee for a license as a qualified certificate holder required pursuant to Sections 7504.7 and 7503.11 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(g) A fee for reexamination of an applicant for a qualified manager may not exceed thirty dollars (\$30).

(h) An initial registrant registration fee may not exceed seventy-five dollars (\$75), a registrant reregistration fee may not exceed thirty dollars (\$30), and a registrant biennial renewal fee may not exceed sixty dollars (\$60) per registration. Notwithstanding Section 163.5 and this subdivision, the reregistration fee for a registrant whose registration expired more than one year prior to the filing of the application for reregistration may not exceed seventy-five dollars (\$75).

(i) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration, but not less than twenty-five dollars (\$25).

(j) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(k) The director shall furnish one copy of any issue or edition of the licensing law and rules and regulations to any applicant or licensee without charge. The director shall charge and collect a fee not to exceed ten dollars (\$10) plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person.

(l) The processing fee for the assignment of a repossession agency license pursuant to Section 7503.9 may not exceed one hundred twenty-five dollars (\$125).

This section shall become operative July 1, 1998, except that the changes to this section enacted during the first year of the 1999–2000 Regular Session shall become operative January 1, 2000. Notwithstanding the operative date of this section, before, on, or after July 1, 1998, the bureau may adopt regulations specifying the fees authorized by this section.

SEC. 14. Section 615 of the Vehicle Code is amended to read:

615. (a) A “tow truck” is a motor vehicle which has been altered or designed and equipped for, and primarily used in the business of, transporting vehicles by means of a crane, hoist, tow bar, tow line, or dolly or is otherwise primarily used to render assistance to other vehicles. A

1 “roll-back carrier” designed to carry up to two vehicles is  
2 also a tow truck. A trailer for hire that is being used to  
3 transport a vehicle is a tow truck. “Tow truck” does not  
4 include an automobile dismantlers’ tow vehicle or a  
5 reposessor’s tow vehicle.

6 (b) “Reposessor’s tow vehicle” means a tow vehicle  
7 which is registered to a reposessor licensed or registered  
8 pursuant to Chapter 11 (commencing with Section 7500)  
9 of Division 3 of the Business and Professions Code that is  
10 used exclusively in the course of the repossession business.

11 (c) “Automobile dismantlers’ tow vehicle” means a  
12 tow vehicle which is registered by an automobile  
13 dismantler licensed pursuant to Chapter 3 (commencing  
14 with Section 11500) of Division 5 and which is used  
15 exclusively to tow vehicles owned by that automobile  
16 dismantler in the course of the automobile dismantling  
17 business.

18 SEC. 15. Section 22850.5 of the Vehicle Code is  
19 amended to read:

20 22850.5. (a) A city, county, or city and county, or a  
21 state agency may adopt a regulation, ordinance, or  
22 resolution establishing procedures for the release of  
23 properly impounded vehicles and for the imposition of a  
24 charge equal to its administrative costs relating to the  
25 removal, impound, storage, or release of the vehicles.  
26 Those administrative costs may be waived by the local or  
27 state authority upon verifiable proof that the vehicle was  
28 reported stolen at the time the vehicle was removed.

29 (b) The following apply to any charges imposed for  
30 administrative costs pursuant to subdivision (a):

31 (1) The charges shall only be imposed on the  
32 registered owner or the agents of that owner and shall not  
33 include any vehicle towed under an abatement program  
34 or sold at a lien sale pursuant to Sections 3068.1 to 3074,  
35 inclusive, of, and Section 22851 of, the Civil Code unless  
36 the sale is sufficient in amount to pay the lienholder’s total  
37 charges and proper administrative costs.

38 (2) Any charges shall be collected by the local or state  
39 authority only from the registered owner or an agent of  
40 the registered owner.



1 (3) The charges shall be in addition to any other  
2 charges authorized or imposed pursuant to this code.

3 (4) No charge may be imposed for any hearing or  
4 appeal relating to the removal, impound, storage, or  
5 release of a vehicle unless that hearing or appeal was  
6 requested in writing by the registered or legal owner of  
7 the vehicle or an agent of that registered or legal owner.  
8 In addition, the charge may be imposed only upon the  
9 person requesting that hearing or appeal.

10 SEC. 16. Section 27907 of the Vehicle Code is  
11 amended to read:

12 27907. There shall be displayed in a conspicuous place  
13 on both the right and left side of a tow truck, a  
14 reposessor's tow vehicle, or an automobile dismantler's  
15 tow vehicle used to tow or carry vehicles a sign showing  
16 the name of the company or the owner or operator of the  
17 tow truck or tow vehicle. The sign shall also contain the  
18 business address and telephone number of the owner or  
19 driver. The letters and numbers of the sign shall not be  
20 less than 2 inches in height and shall be in contrast to the  
21 color of the background upon which they are placed.

22 A person licensed as a repossession agency pursuant to  
23 Chapter 11 (commencing with Section 7500) of Division  
24 3 of the Business and Professions Code, or a registrant of  
25 the agency, may use the license number issued to the  
26 agency by the Department of Consumer Affairs in lieu of  
27 a name, business address, and telephone number.

28 SEC. 17. *Section 6.5 of this bill incorporates*  
29 *amendments to Section 7506.5 of the Business and*  
30 *Professions Code proposed by both this bill and AB 341.*  
31 *It shall only become operative if (1) both bills are enacted*  
32 *and become effective on or before January 1, 2000, (2)*  
33 *each bill amends Section 7506.5 of the Business and*  
34 *Professions Code, and (3) this bill is enacted after AB 341,*  
35 *in which case Section 6 of this bill shall not become*  
36 *operative.*

37 SEC. 18. No reimbursement is required by this act  
38 pursuant to Section 6 of Article XIII B of the California  
39 Constitution because the only costs that may be incurred  
40 by a local agency or school district will be incurred



1 because this act creates a new crime or infraction,  
2 eliminates a crime or infraction, or changes the penalty  
3 for a crime or infraction, within the meaning of Section  
4 17556 of the Government Code, or changes the definition  
5 of a crime within the meaning of Section 6 of Article  
6 XIII B of the California Constitution.

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